

The following standard terms of business apply to all engagements accepted by Knill James. All work carried out is subject to these terms except where changes are expressly agreed in writing.

1. Professional obligations

- 1.1 We will observe the Bye-laws, regulations and ethical guidelines of the Institute of Chartered Accountants in England and Wales and accept instructions to act for you on the basis that we will act in accordance with those guidelines. Copies of these requirements are available for inspection in our offices.
- 1.2 Where you give us confidential information we shall at all times keep it confidential, except as required by law or as provided for in regulatory, ethical or other professional pronouncements applicable to this engagement.
- 1.3 We reserve the right to act during this engagement for other clients whose interests may be adverse to yours. We will notify you immediately should we become aware of any conflict of interest to which we are subject in relation to you.

2. Investment Advice

- 2.1 Although we are not authorised by the Financial Conduct Authority (FCA) to conduct investment business, we are licensed by the Institute of Chartered Accountants in England & Wales to provide certain limited investment services where these are complimentary to, or arise out of, the professional services we are providing to you.
- 2.2 In particular, we may:
 - advise you on investments generally, but not recommend a particular investment or type of investment;
 - refer you to a Permitted Third Party (PTP) (an independent firm authorised by the FCA), assist you and the PTP during the course of any advice given by that party and comment on, or explain, the advice received (but not make alternative recommendations). The PTP will issue you with his own terms and conditions letter, will be remunerated separately for his services and will take full responsibility for compliance with the requirements of the Financial Services and Markets Act 2000;
 - advise you in connection with the disposal of an investment, other than your rights in a pension policy or scheme;
 - advise and assist you in transactions concerning shares or other securities not quoted on a recognised exchange;
 - assist you in making arrangements for transactions in investments in certain circumstances; and
 - manage investments or act as trustee (or donee of a power of attorney) where decisions to invest are taken on the advice of an authorised person.
- 2.3 We may also, on the understanding that the shares or other securities of the company are not publicly traded:

- advise the company, existing or prospective shareholders in relation to exercising rights, taking benefits or share options, valuations and methods of such valuations;
 - arrange any agreements in connection with the issue, sale or transfer of the company's shares or other securities;
 - arrange for the issue of new shares; and
 - act as the addressee to receive confirmation of acceptance of offer documents etc.
- 2.4 We would advise you that there are risks attached to all types of investment and any recommendations made by ourselves do not give an express or implied warranty or guarantee relating to the financial return of the particular investment recommended.
- 2.5 In some circumstances, commissions or other benefits may become payable to us [or to one of our associates] in respect of transactions we [or such associates] arrange for you, in which case you will be notified in writing of the amount and terms of payment. The fees that would otherwise be payable by you as described above will [or will not] be abated by such amounts. You consent to such commission or other benefits being retained by us [or, as the case may be, by our associates,] without our, [or their,] being liable to account to you for any such amounts.
- 2.6 If you are dissatisfied in any way with our services described in this section, you should follow the procedures set out in the "Quality of Service" section below. In the unlikely event that we cannot meet our liabilities to you, you may be able to claim compensation under the Chartered Accountants' Compensation scheme.

3. Client monies

- 3.1 We may, from time to time, hold money on your behalf. Such money will be held in trust in a client bank account, which is segregated from the firm's funds. The account will be operated, and all funds dealt with, in accordance with the Client's Money Regulations of the Institute of Chartered Accountants in England and Wales.
- 3.2 In order to avoid an excessive amount of administration, interest will only be paid to you where the amount of interest that would be earned on the balances held on your behalf in any calendar year exceeds £25. Any such interest would be calculated using the prevailing rate applied by Barclays Bank Plc for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.
- 3.3 If the total sum of money held on your behalf exceeds £10,000 for a period of more than 30 days, or such sum is likely to be held for more than 30 days, then the money will be placed in a separate interest-bearing client bank account designated to you. All interest earned on such money will be paid to you. Subject to any tax legislation, interest will be paid gross.

4. Fees

- 4.1 Our fees are computed on the basis of time spent on your affairs by the partner and our staff and on the levels of skill and responsibility involved.
- 4.2 If it is necessary to carry out work outside the responsibilities outlined in this letter it will involve additional fees. Accordingly we would like to point out that it is in your interest to ensure that your records etc. are completed to the agreed stage.
- 4.3 Unless otherwise agreed, our fees will be billed at appropriate intervals during the course of the year and will be due within 14 days of presentation.

5. Retention of and Access to Records

- 5.1 During the course of our work, we will collect information from you and others acting on your behalf and will return any original documents to you following the preparation [and audit] of your financial statements and returns. You should retain these records for at least seven years from the end of the accounting year to which they relate.
- 5.2 Whilst certain documents may legally belong to you, we intend to destroy correspondence and other papers that we store which are more than seven years old, other than documents which we consider to be of continuing significance. If you require retention of any document, you must notify us of that fact in writing.

6. Quality Control

- 6.1 As part of our ongoing commitment to providing a quality service, our files are periodically subject to an independent regulatory or quality review. Our reviewers are highly experienced and professional people and are, of course, bound by the same requirements of confidentiality as our principals and staff.

7. Best Service

- 7.1 If, at any time, you would like to discuss how our service to you could be improved, or if you are dissatisfied with the service that you are receiving, please let us know, by telephoning either Kevin Powell or Christopher Ketley.
- 7.2 We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. If we do not answer your complaint to your satisfaction, you may of course take up the matter with the Institute of Chartered Accountants in England and Wales.
- 7.3 In order for us to provide you with a high quality service on an ongoing basis it is essential that you provide us with relevant records and information when requested, reply to correspondence in a timely manner and otherwise follow the terms of the agreement between us set out in this Standard Terms of Business and associated Engagement letters. We therefore reserve the right to cancel the engagement between us with immediate effect in the event of:

- your insolvency, bankruptcy or other arrangement being reached with creditors;
- failure to pay our fees by the due dates;
- either party being in breach of their obligations where this is not corrected within 30 days of being asked to do so.

7.4 In addition this agreement may be terminated for any reason if 90 days notice is given.

7.5 We reserve the right to use trusted outsourced partners as and when required.

8. Applicable Law

8.1 This engagement letter is governed by, and construed in accordance with, English law. The Courts of England will have exclusive jurisdiction in relation to any claim, dispute or disagreement concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those Courts, to claim that the action has been brought in an inappropriate forum, or to claim that those Courts do not have jurisdiction.

8.2 If any provision in this Standard Terms of Business or any associated engagement letter, or its application, are found to be invalid, illegal, or otherwise unenforceable in any respect, the validity, legality or enforceability of any other provisions shall not in any way be affected or impaired.

9. Internet Communication

9.1 Internet communications are capable of data corruption and therefore we do not accept any responsibility for changes made to such communications after their dispatch. It may therefore be inappropriate to rely on advice contained in an e-mail without obtaining written confirmation of it. We do not accept responsibility for any errors or problems that may arise through the use of internet communication and all risks connected with sending commercially sensitive information relating to your business are borne by you.

9.2 We offer a secure Portal for clients to exchange such information as an alternative to email or post. We would strongly advise using this as the primary method of data transfer. Should you choose to transfer data by other means please note that you do so at your own risk and you agree to indemnify Knill James against any potential loss or breach of data as a result of any other transfer. You also agree to cover any additional costs incurred as a result of using alternative transfer methods, such as the cost of recorded delivery post.

9.3 It is the responsibility of the recipient to carry out a virus check on any attachments received.

10. Data Protection

10.1 To enable us to discharge the services agreed in the engagement letter, comply with related legal and regulatory obligations and for other related purposes including updating and enhancing client records and analysis for management purposes, as a data controller, we may obtain, use, process and disclose personal data about [you / your business / company / partnership / its shareholders / members / officers and employees] as described in our privacy notice. We confirm when processing data on your behalf that we will comply with the provisions of all relevant data protection legislation and regulation.

10.2 You are also an independent controller responsible for complying with data protection legislation and regulation in respect of the personal data you process and, accordingly where you disclose personal data to us you confirm that such disclosure is fair and

lawful and otherwise does not contravene relevant requirements. Nothing within these terms of business or the engagement letter relieves you as a data controller of your own direct responsibilities and liabilities under data protection legislation and regulation.

- 10.3 Data protection legislation and regulation places obligations on you as a data controller where we act as a data processor to undertake the processing of personal data on your behalf, for instance where we operate a payroll service for you. We therefore confirm that we will at all times take appropriate measures to comply with relevant requirements when processing data on your behalf. In particular we confirm that we have adequate security measures in place and that we will comply with any obligations equivalent to those placed on you as a data controller.
- 10.4 Our privacy notice, which can be found on our website at www.knilljames.co.uk explains how we process personal data in respect of the various services that we provide.

11. Contracts (Rights of Third Parties) Act 1999

- 11.1 Persons who are not party to this agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement. This clause does not affect any right of remedy of any person which exists or is available otherwise than pursuant to that Act.
- 11.2 The advice that we give to you is for your sole use and does not constitute advice to any third party to whom you may communicate it. We accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

12. Money Laundering

- 12.1 The firm, in common with all accountancy and legal practices, is required by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 to:
- Maintain identification procedures for all clients and beneficial owners of clients;
 - Maintain records of identification evidence and the work undertaken for the client; and
 - Report, in accordance with the relevant legislation and regulations.
- 12.2 We have a duty under section 330 of the Proceeds of Crime Act 2002 to report to the National Crime Agency (NCA) if we know, or have reasonable cause to suspect, that another person is involved in money laundering. Failure on our part to make a report where we have knowledge or reasonable grounds for suspicion would constitute a criminal offence.
- 12.3 The offence of money laundering is defined by section 340(11) of the Proceeds of Crime Act and includes concealing, converting, using or possessing the benefits of any activity that constitutes a criminal offence in the UK. It also includes involvement in any arrangement that facilitates the acquisition, retention, use or control of such a benefit.
- 12.4 We are obliged by law to report any instances of money laundering to NCA without your knowledge or consent. In consequence, neither the firms' principals nor staff may enter into any correspondence or discussions with you regarding such matters.
- 12.5 We are not required to undertake work for the sole purpose of identifying suspicions of money laundering. We shall fulfil our obligations under the Proceeds of Crime Act 2002 in accordance with the guidance published by the Consultative Committee of

Accountancy Bodies.

13. Limitation of liability

- 13.1 We will provide our professional services with reasonable care and skill. However, we will not be held responsible for any losses arising from the supply by you or others of incorrect or incomplete information, or your or others' failure to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or other relevant authorities.
- 13.2 You agree to hold harmless and indemnify us against any misrepresentation, whether intentional or unintentional, supplied to us orally or in writing in connection with this agreement. You have agreed that you will not bring any claim in connection with services provided to you by the firm against any of our employees on a personal basis.
- 13.3 Subject to any specific clause in our engagement letter our liability to you, or any other party, in contract or tort (including negligence) or under any statute or otherwise, for any loss or damage caused to you by us in any way in connection with our engagement, including if caused by our negligence, will not exceed in aggregate the sum of £5,000 or 10 times the fee, whichever is the greater. This limitation on our liability will not apply beyond the extent permitted by law.
- 13.4 In so far as is permitted by law, in the event that we find ourselves subject to a claim from another party arising out of this engagement (other than as a result of our own negligence or wilful default) any claim established against us and the costs we necessarily incur in defending it would form part of the expenses we would look to recover from you.

14. The Provision of Services Regulations 2009

- 14.1 We are registered to carry on audit work in the UK and Ireland by the ICAEW. Details of our audit registration can be viewed at www.auditregister.org.uk under reference number C005304635.
- 14.2 Our professional indemnity insurer is RSA Insurance Group Plc, of 9th Floor, One Plantation Place, 30 Fenchurch Street, London EC3M 3BD. The territorial coverage is worldwide excluding professional business carried out from an office in the United States of America or Canada and excludes any action for a claim brought in any court in the United States or Canada.

15. Quality of service

- 15.1 We aim to provide you with a fully satisfactory service and the engagement partner will seek to ensure that this is so. If, however, you are unable to deal with any difficulty through the engagement partner and their team please contact Chris Ketley or Kevin Powell on 01273 480480. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. If we do not answer your complaint to your satisfaction you may of course take up the matter with the Institute of Chartered Accountants in England and Wales (ICAEW) by whom we are regulated.

16. Anti Poaching

- 16.1 Neither party, shall, during the term of this agreement and for a period of twelve months thereafter ("the Relevant Period"), solicit for employment, or offer employment to, or enter into any contract for services with, any person employed

by the other Party during the Relevant Period who was involved in the implementation or operation of this agreement without the prior written consent of the other Party.

- 16.2 Where such consent is given, an entitlement to financial compensation may arise from the soliciting party to the non-soliciting party. The value of compensation will be determined as six months gross salary (plus on-costs) plus the replacement cost of the individual, as well as disruption and loss of business should the solicitation result in lost revenues directly as a result of that decision.
- 16.3 During the course of, and any period of time following the termination of this agreement, you indemnify us against any possible legal action, in respect of legal costs and any awards, which may arise from a claim made by your employees with respect to constructive dismissal, TUPE regulations, or any claim arising as a result of your decision to engage Knill James to undertake professional work as set out in this agreement or any other request made by you or your staff.